

D-2132

3

RECEIVED

**RECORDING REQUESTED BY  
AND WHEN RECORDED, MAIL TO:**

City Clerk  
City of Newport Beach  
3300 Newport Boulevard  
Newport Beach, California 92663-3884

Recorded in Official Records, Orange County  
Tom Daly, Clerk-Recorder

NO FEE

2007000704013 02:12pm 11/28/07

103 254 G02 35

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

**WITH A CONFORMED COPY TO:**

The Irvine Company LLC  
550 Newport Center Drive  
Newport Beach, CA 92660  
Attn: Brigid McMahon, Legal Department

(Space Above For Recorder's Use)

IT  
35P  
NA

**GRANT DEED**

(Parcel 3, Parcel Map 90-361 - Newport Village)

**THE UNDERSIGNED GRANTOR DECLARES:**

This document is recorded at the request of and for the benefit of the City of Newport Beach, and therefore is exempt from the payment of a recording fee pursuant to California Government Code §§ 6103 and 27383 and from payment of documentary transfer tax pursuant to California Revenue and Taxation Code § 11922.

**RECITALS**

A. Grantor is the owner of fee title to Parcel 3 of Parcel Map 90-361, in the City of Newport Beach, County of Orange, State of California, as per Map filed in Book 270, Pages 15 to 18, inclusive, of Parcels, in the Office of the County Recorder of said County (the "**Property**"). The Property is subject to the provisions of that certain Circulation Improvement and Open Space Agreement (the "**CIOSA**") entered into by and between the City of Newport Beach and Grantor's predecessor in interest, The Irvine Company, a Michigan corporation, effective June 30, 1993, and recorded as Document No. 93-0479122 in the Official Records of Orange County, California.

B. The City Council of said City previously authorized acceptance of an Offer of Dedication for the Property pursuant to City Council Resolution No. 99-3, adopted by said City Council on January 25, 1999 and recorded as Instrument No. 20000143528 in the Official Records of Orange County, California, on March 20, 2000. Due to administrative oversight, the Offer was never recorded or attached to the Resolution, and fee title to the Property was never conveyed to the City of Newport Beach.

C. In order to comply with the requirements of the CIOA and to correct such error, Grantor now desires to convey the Property to the City of Newport Beach subject to the provisions of this Grant Deed.

### CONVEYANCE

NOW THEREFORE, in consideration of the above,

**THE IRVINE COMPANY LLC**, a Delaware limited liability company, successor to The Irvine Company, a Michigan corporation ("**Grantor**"), hereby grants to the **CITY OF NEWPORT BEACH**, a California municipal corporation and chartered city ("**Grantee**"), in fee, the Property.

**EXCEPTING** from the Property, any and all oil, oil rights, minerals, mineral rights, natural gas rights and other hydrocarbons by whatsoever name known, geothermal steam, any other material resources and all products derived from any of the foregoing, that may be within or under the Property, together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from the Property or any other land, including the right to whipstock or directionally drill and mine from lands outside the Property, oil or gas wells, tunnels and shafts into, through or across the subsurface of the Property and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines; but without, however, the right to drill, mine, store, explore or operate through the surface or the upper 500 feet of the subsurface of the Property;

**EXCEPTING** from the Property, any and all water, water rights or interests therein appurtenant to, underlying or relating to the Property, or owned or used by Grantor in connection with the Property or for any beneficial use, no matter how acquired by Grantor, and including but not limited to the rights that are riparian, overlying, appropriative, prescriptive, percolating, littoral, adjudicated, statutory or contractual, but without, however, any right to enter upon the surface of the Property in the exercise of such reserved rights;.

**RESERVING** unto Grantor, its successors and assigns, together with the right (without the consent of Grantee or any other owner of an interest in the Property) to grant, transfer or license all or a portion of the same to one or more grantees, transferees or licensees:

i. **Signage and Related Improvements.** The right to install, place and maintain directional, informational and similar signage to other property owned by Grantor in Newport Beach, California, together with landscaping, landscape irrigation systems, and lighting related thereto, as well as electric, water, and drainage facilities related thereto, together with the right to enter upon the Property (without unreasonably interfering with the use of the Property as an open space area) in order to service, maintain, repair, reconstruct, relocate or replace any of such facilities or improvements; provided, however, that the exercise of such right shall be subject to the discretionary approval of Grantee, and subject to the requirement that Grantor first enter into an encroachment agreement with Grantee for the proposed signage and related improvements.

ii. **Utilities.** Non-exclusive easements on, over, under and across the Property for the maintenance and repair of all utilities, water, drainage and sewer lines within the Property on the date of recordation of this Grant Deed, together with the right of ingress and egress thereto; provided, however, that any use of the easements in this subsection shall not unreasonably interfere with the use of the Property for the purposes described in Covenant 1 below.

**SUBJECT TO:**

1. **Taxes and Assessments.** General and special real property taxes and supplemental assessments, if any, for the current fiscal year; provided, however, that Grantor shall pay for (a) any such taxes and assessments applicable to the Property prior to the date of recordation of this deed, and (b) any assessments, special taxes or other payments arising from bonds, contracts, or liens created by, through or as a result of the efforts or activities of Grantor.

2. **Encumbrances.** All exceptions to title contained in Preliminary Report No. 2802730, dated as of October 3, 2007, issued by First American Title Insurance Company, a copy of which is attached hereto as Exhibit A, and any and all other covenants, conditions, restrictions, reservations, rights, easements and other matters of record, apparent by reasonable inspection or known to Grantee.

3. **Customary Title Exceptions.** Usual and customary exceptions to title insurance consistent with ALTA policies with Regional Exceptions (Standard Coverage) issued by First American Title Insurance Company in Orange County, California.

4. **Condition of Property.** The requirement that Grantee accepts the Property (a) without any warranty concerning suitability for Grantee's intended use of the Property, and (b) without any warranty concerning the absence of hazardous or toxic materials. Grantee acknowledges that Grantor has not made any representations or warranties concerning the condition of the Property except as expressly contained in this Offer.

5. **Covenants.** The following covenants, conditions, rights and restrictions (collectively, the "**Covenants**"), which shall remain in full force and effect in perpetuity from the date of recordation of this Grant Deed, unless terminated or modified as hereinafter provided. This conveyance of the Property is made by Grantor and accepted by Grantee upon and expressly subject to these covenants. Upon the occurrence of any breach or violation of any of the Covenants without being cured within the times provided below, Grantor shall be entitled to avail itself of the remedies specified below.

i. **List of Covenants.**

a. **Covenant 1: Use of Property.** The Property shall be used for open space and public facilities uses consistent with the Planned Community District Regulations applicable to the Property, the applicable portions of which are attached hereto as Exhibit B. Notwithstanding the above, Grantee may use portions of the Property as necessary in connection with provision of public right-of-way and construction of roadway improvements, as well as for utility relocations associated with such improvements and slope installation and maintenance related thereto, provided that (I) Grantee complies with the requirements of

Covenant 2 below, and (II) Grantee, at its own cost and expense, restores and repairs any property outside of the roadway construction area that may be damaged by its construction of either the roadway or installation of improvements related thereto.

b. **Covenant 2: Review of Improvement Plans.** With respect to any improvements proposed to be constructed on, across, under or above the Property by Grantee, Grantee shall (I) prior to the award of any design contract entered after the date of recordation of this Grant Deed for the proposed improvements, give Grantor thirty (30) days to review and comment on the proposed improvements and design plan, and (II) after the design plans have been completed and prior to award of the construction contract for such improvements, give Grantor sixty (60) days' prior notice for review and comment regarding Grantee's designed improvements or any significant changes thereto. After receipt of Grantor's comments, Grantee shall give reasonable consideration to any suggestions that Grantor provides to Grantee regarding such proposed improvements.

c. **Covenant 3: Maintenance and Repairs.** Grantee shall maintain the Property in safe condition and in accordance with applicable laws, ordinances and regulations applicable to the Property, and shall keep the Property in attractive condition, free from garbage and debris.

d. **Covenant 4: No Transfer of Property.** Grantee acknowledges that upon acceptance of the Property, it shall not abandon the Property nor thereafter sell, lease, exchange or in any other way transfer or convey all or any portion of its interest in the Property to a third party without the prior written approval of Grantor, which may be granted or withheld in Grantor's sole discretion; provided, however, that Grantee may (A) transfer an interest in any portion of the Property in connection with a utility installation required in connection with Grantee's permitted use of the Property; (B) transfer any portion or all of the Property to another public or quasi-public agency, maintenance district or non-profit corporation or entity that shall operate and maintain such portion or all of the Property in accordance with the uses specified in this Offer; and (C) transfer any portion of the Property acquired by another entity under the power of eminent domain.

ii. **Matters Related to Covenants.**

a. **General Purpose.** The Covenants are hereby declared and agreed to be part of a general plan for the purpose of assuring the enhancement and protection of the value, desirability and attractiveness of that certain real property in Orange County, California, owned by Grantor or its affiliates described on *Exhibit "C"* attached hereto (the "**Benefitted Property**"). The Covenants shall run and pass with each and every portion of the Property and be binding upon and burden all persons having or acquiring any right, title or interest in the Property (during their ownership of such interest), or any part thereof, and their successors and assigns.

b. **Run With the Property.** Subject to the following provisions of this paragraph, the Covenants shall inure to the benefit of the Benefitted Property and the owners of the Benefitted Property and their successors and assigns, and the Benefitted Property shall be

deemed the dominant tenement for purposes of the Covenants. In the event that any portion of the Benefitted Property is conveyed by Grantor or its affiliates to a third party (each parcel of the Benefitted Property so transferred is hereinafter referred to as a "**Transferred Parcel**"), the Covenants shall cease to benefit the Transferred Parcel unless the deed conveying the Transferred Parcel from Grantor to the transferee or a separate recorded document executed by Grantor expressly assigns to the transferee the benefits of the Covenants that run with the Transferred Parcel by specific reference to this Grant Deed (general references to appurtenances or rights related to the acquired Property will not suffice). Any owner of any Transferred Parcel who has been so assigned the ongoing benefit of the Covenants hereunder is referred to herein as a "**Covenant Transferee**." Any (i) merger of Grantor or its affiliates with or into another entity, (ii) acquisition of all or a portion of the stock or equity of Grantor or its affiliates by a third party, or (iii) assignment or transfer of the Benefitted Property to a division, subsidiary or affiliated company of Grantor or such affiliates, will not be deemed a transfer of the Benefitted Property triggering the applicability of this paragraph.

Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property or any improvements thereon is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, whether or not any reference to this instrument is contained in the instrument by which such person acquired an interest in the Property or any such improvements.

c. **Amendment.** The Covenants may be amended by mutual agreement of Grantor, any Covenant Transferee and Grantee. Any amendment must be recorded in the Official Records of Orange County, California.

d. **Term.** The Covenants shall run with and bind the Property and shall inure to the benefit of and be enforceable by Grantor, unless Grantor (and, if applicable, any Covenant Transferee) record a declaration terminating the Covenants, the Covenants shall be binding absolutely and perpetually on Grantee.

e. **Default and Remedies.** Because of the unique nature and scope of development of the Benefitted Property by Grantor and its affiliates, as well as the amount of planning, effort and time expended by such parties in reliance upon the anticipated uses of the Property and the Benefitted Property, monetary damages will not provide an adequate remedy for the damage to such planning efforts or development resulting from a breach of the Covenants. Therefore, in the event of any breach, violation or failure to comply with any of the Covenants which has not been cured within thirty (30) days after written notice from Grantor to do so (or if any such breach, violation or failure cannot be fully cured within such thirty (30) day period, then upon failure of Grantee to commence such cure within such period and thereafter to diligently complete such cure to Grantor's reasonable satisfaction), Grantor shall be entitled, in addition to any other remedy to which it may be entitled by law or equity (other than damages), to specifically enforce the performance of the Covenants and Grantee's other obligations hereunder or an injunction to enjoin the continuance of any breach or violation of the Covenants or terms of this Grant Deed.

f. **Waiver.** No waiver by Grantor of a breach of any of the Covenants and no delay or failure to enforce any of the Covenants shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other restrictions or

conditions. No waiver of any breach or failure of any of the Covenants shall be implied from any omission by Grantor to take any action on account of such breach or failure if such breach or failure persists or is repeated, and no express waiver shall affect a breach or failure other than as specified in said waiver. The consent or approval by Grantor to or of any act by Grantee requiring Grantor's consent or approval shall not be deemed to waive or render unnecessary Grantor's consent or approval to or of any subsequent similar acts by Grantee.

g. **Cost of Enforcement.** In the event any declaratory or other legal or equitable action or proceeding shall be instituted between Grantor and Grantee to enforce any provision of these Covenants, the party prevailing in such action shall be entitled to recover from the losing party or parties the costs and expenses, including court costs and reasonable attorneys' fees.

### **MISCELLANEOUS.**

1. **Captions.** The captions used herein are for convenience only and are not a part of this instrument and do not in any way limit or amplify the scope or intent of the terms and provisions hereof.

2. **Application to Grantor.** Notwithstanding anything herein contained to the contrary, if Grantor or any successor to Grantor reacquires title to the Property or any portion thereof, the provisions of this instrument shall automatically cease and terminate as to such reacquired property and be of no further force or effect as to Grantor or such successor.

3. **Notices.** All notices, consents, demands, requests and other communications provided herein shall be in writing and shall be deemed to have been duly given if and when personally served or 48 hours after being sent by United States registered mail, return receipt requested, postage prepaid, to the other party at the following respective address:

If to Grantor:           The Irvine Company LLC  
550 Newport Center Drive  
Newport Beach, CA 92660  
Attn: General Counsel

If to Grantee:           City of Newport Beach  
Public Works Department  
3300 Newport Boulevard, (P.O. Box 1768)  
Newport Beach, CA 92658-8915  
Attn: City Manager

and to:                   City of Newport Beach  
City Attorney's Office  
3300 Newport Boulevard, (P.O. Box 1768)  
Newport Beach, CA 92658-8915  
Attn: City Attorney

or at such other address as the Grantor or Grantee may designate to the other in writing.

4. **Exhibits.** The following exhibits are attached to this Grant Deed and incorporated herein by this reference:

- A. **Exhibit "A"** Preliminary Title Report
- B. **Exhibit "B"** Planned Community District Regulations
- C. **Exhibit "C"** Description of Benefitted Property

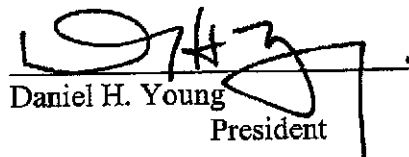
5. **Compliance with Law and Satisfaction of Obligations.** This Grant Deed is made expressly upon the understanding that it is in compliance with and fully satisfies all lawful enactments and conditions of Grantee under CIOA requiring the dedication of the Property to Grantee. Grantee agrees and acknowledges that this Grant Deed and the conveyance of Property hereunder comply with all local, state and federal laws, and Grantee's acceptance of this conveyance is not prohibited under and does not violate any provision of local, state or federal law.

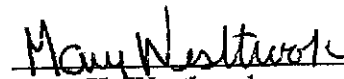
6. **Authority.** The persons executing this Grant Deed on behalf of Grantor warrant that they are duly authorized to execute this document.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of Nov. 1, 2007. This Grant Deed shall not be effective for any purpose unless and until the Acceptance below has been duly executed by Grantee.

**"GRANTOR"**

The Irvine Company LLC,  
a Delaware limited liability company

By:   
Daniel H. Young  
President

By:   
Mary K. Westbrook  
Assistant Secretary

### CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Grant Deed dated November 1, 2007, as made by The Irvine Company LLC, a Delaware limited liability company, to the City of Newport Beach, a chartered City of the State of California, is hereby accepted by the undersigned officer of the City of Irvine ("City"), on behalf of the City, and the grantee, City, consents to the recordation thereof by its undersigned duly authorized officer and to the transfer of title to the property to City. City acknowledges that this Grant Deed complies with the requirements of the CIOA with respect to the dedication of the Newport Village Parcel (Parcel 3 of Parcel Map 90-361) to City.

Dated: Nov. 19, 2007

By: Homer Bludau  
Homer Bludau  
City Manager

Approved as to form:

By: Robin Clauson  
Robin Clauson,  
City Attorney

ATTEST:

Laverne M. Haskins  
City Clerk





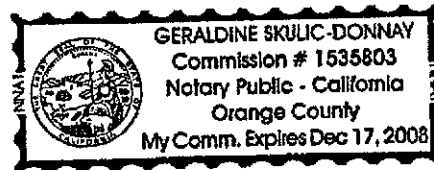
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On Nov. 1, 2007, before me, Geraldine Skulic-Donnay, Notary Public, personally appeared **Daniel H. Young** and **Mary Westbrook**, personally known to me ~~or proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Geraldine Skulic-Donnay  
Notary Public

(SEAL)



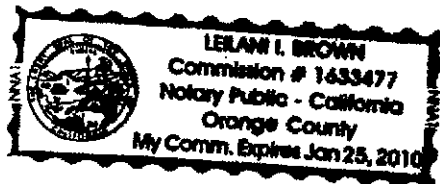
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On NOVEMBER 19, 2007, before me, LEILANI I. BROWN, Notary Public, personally appeared **Homer Bludau**, personally known to me ~~or proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Leilani I. Brown  
Notary Public

(SEAL)



Order Number: O-SA-2802730 (08)  
Page Number: 1

**Amended/Updated**



## **First American Title Company**

**2 First American Way  
Santa Ana, CA 92707**

Wes Wittmeyer  
City of Newport Beach  
3300 Newport Boulevard PO Box 1768  
Newport Beach, CA 92663-3816  
Phone:  
Fax:

Customer Reference: CIOA dedication: Parcel 3 Parcel Map 90-361

Order Number: O-SA-2802730 (08)

Title Officer:	Joe Gallagher
Phone:	(714)250-3975
Fax No.:	(714)913-6387
E-Mail:	jagallagher@firstam.com
Borrower:	
Owner:	City of Newport Beach
Property:	Vacant Land Newport Beach, CA

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of October 03, 2007 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

**TO BE DETERMINED**

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

The Irvine Company LLC, a Delaware limited liability company

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2007-2008.  
First Installment: \$74.35, PAYABLE  
Penalty: \$0.00  
Second Installment: \$74.35, PAYABLE  
Penalty: \$0.00  
Tax Rate Area: 07-041  
A. P. No.: 442-014-27
2. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 90-1, as disclosed by Notice of Special Tax Lien recorded August 24, 1990 as Instrument No. 90-453226 of Official Records.

(Portion of Community Facilities District included)

NOTE: The above referenced item will not show on the final title policy to be issued to the City of Newport Beach."

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. An easement for pole lines and incidental purposes, recorded February 14, 1918 in Book 318 of Deeds, Page 90.

Document(s) declaring modifications thereof recorded May 18, 1949 as Book 1845, Page 120 of Official Records.

5. An easement for pipe line for water, together with the right to enter upon lands adjoining said pipe line and incidental purposes, recorded November 30, 1928 as Book 221, Page 76 of Official Records.

In Favor of: Laguna Beach County Water District  
Affects: As described therein

By a Deed dated March 3, 1953 certain rights and interests in said easement were conveyed to the City of Newport Beach, together with the agreements, terms and conditions contained in said Deed which recorded April 14, 1955 in Book 3031, Page 117, Official Records.

6. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded May 20, 1931 as Book 487, Page 3 of Official Records.
7. Abutter's rights of ingress and egress to or from freeway have been relinquished in the document recorded July 25, 1940 as Book 1047, Page 557 and October 1, 1952 in Book 2390, Page 458, both of Official Records.

8. An easement for privilege and right to extend and maintain drainage structures, excavation slopes and embankment slopes on said land adjacent to the freeway abutting thereon and incidental purposes, recorded July 25, 1940 as Book 1047, Page 557 of Official Records.

In Favor of: State of California  
Affects: As described therein

9. An easement for pole lines and steel towers and incidental purposes, recorded June 19, 1947 as Book 1528, Page 321 of Official Records.

In Favor of: Southern California Edison Company, a Corporation  
Affects: As described therein

Document(s) declaring modifications thereof recorded January 21, 1986 as Instrument No. 86-24793 of Official Records.

10. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded as Book 1750, Page 437 of Official Records.
11. An easement for gas pipes and mains and incidental purposes, recorded August 28, 1950 as Book 2063, Page 182 of Official Records.

In Favor of: Southern Counties Gas Company  
Affects: As described therein

12. An easement for public highway and incidental purposes, recorded August 25, 1967 as Book 8354, Page 25 of Official Records.  
In Favor of: State of California  
Affects: As described therein
13. An easement for public utilities and incidental purposes, recorded January 13, 1971 as Book 9517, Page 474 of Official Records.  
In Favor of: Southern California Edison Company, a Corporation  
Affects: As described therein
14. An easement for street and highway and incidental purposes, recorded July 6, 1977 as Book 12277, Page 1310 of Official Records.  
In Favor of: City of Newport Beach  
Affects: As described therein
15. An easement for street and highway and incidental purposes, recorded December 24, 1980 as Book 13887, Page 1358 of Official Records.  
In Favor of: City of Newport Beach  
Affects: As described therein
16. An easement for storm drain and incidental purposes, recorded March 3, 1981 as Book 13967, Page 424 of Official Records.  
In Favor of: City of Newport Beach  
Affects: As described therein
17. An easement for public utilities and incidental purposes, recorded June 10, 1981 as Book 14094, Page 1037 of Official Records.  
In Favor of: Southern California Edison Company, a Corporation  
Affects: As described therein
18. Abutter's rights of ingress and egress to or from Mac Arthur Boulevard have been dedicated or relinquished on the filed Map.
19. Abutter's rights of ingress and egress to or from Avocado Avenue have been dedicated or relinquished on the filed Map.
20. The recital on said Parcel Map 90-361 that;  
  
A 20 foot wide relocatable pedestrian/bicycle easement shall be dedicated to the City of Newport Beach by separate documents across Parcel 3 to provide access if a pedestrian/bicycle bridge is constructed across Mac Arthur Boulevard at the prolongation of Crown Drive, the easement is to provide to both Parcel 2 and Avocado Avenue with the precise alignment to be determined when Mac Arthur Boulevard is widened, if the bridge is not constructed with the Mac Arthur Boulevard widening project, then the easement will be relinquished.
21. An easement shown or dedicated on the map filed or recorded as Parcel Map No. 90-361 in Book 270, Pages 15 to 18 of Parcel Maps  
For: Ingress and egress and incidental purposes.

22. An easement for street and highway and incidental purposes, recorded January 23, 1991 as Instrument No. 91-31787 of Official Records.  
In Favor of: City of Newport Beach, a Municipal Corporation  
Affects: As described therein
23. An easement for slope and drainage and incidental purposes, recorded March 11, 1996 as Instrument No. 96-118595 of Official Records.  
In Favor of: City of Newport Beach, a Municipal Corporation  
Affects: As described therein
24. The terms and provisions contained in the document entitled Resolution 99-3 recorded March 20, 2000 as Instrument No. 00-143528 of Official Records.

### INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:  
  
None
3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

Order Number: O-SA-2802730 (08)  
Page Number: 7

**WIRE INSTRUCTIONS**

**First American Title Company, Demand/Draft Sub-Escrow Deposits  
Orange County, California**

**First American Trust, FSB  
5 First American Way  
Santa Ana, CA 92707**

**ABA 122241255  
Credit to First American Title Company  
Account No. 2000015040  
Reference Title Order Number 2802730 and Title Officer Joe Gallagher**

**Please wire the day before recording. Also, notify the Title Officer of your intent to wire.**



Order Number: O-SA-2802730 (08)  
Page Number: 8

**LEGAL DESCRIPTION**

Real property in the City of Newport Beach, County of Orange, State of California, described as follows:

PARCEL 3 OF PARCEL MAP NO. 90-361, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 270, PAGES 15 TO 18 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 442-014-27

***NOTICE***

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**  
**SCHEDULE B**

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
 (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:  
 (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
 (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
 (c) resulting in no loss or damage to the insured claimant;  
 (d) attaching or created subsequent to Date of Policy; or  
 (e) resulting in loss or damage which would not have been sustained if the Insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970**  
**SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

**Part One**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the Insured claimant, (b) not known to the Company and not shown by the public records but known to the Insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

**Part One**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992**

### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

### 9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

#### SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:  
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

### 10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1987 EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 

* land use	* land division
* improvements on the land	* environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.  
This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
  - \* a notice of exercising the right appears in the public records on the Policy Date
  - \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
  - \* that are created, allowed, or agreed to by you
  - \* that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
  - \* that result in no loss to you
  - \* that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
  - \* to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
  - \* in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

#### 11. EAGLE PROTECTION OWNER'S POLICY

##### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998 ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building	b. zoning
c. land use	d. improvements on the land
e. land division	f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.  
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

#### 12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion

does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8 (e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:
  - (a) The time of the advance; or
  - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.
 This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

#### **SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

### **13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS**

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

#### **SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:



1.

The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following Item 28 of Covered Risks: None.

## PRIVACY POLICY

### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

### Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**EXHIBIT "B"**

**PLANNED COMMUNITY DISTRICT REGULATIONS**

NEWPORT VILLAGE  
PLANNED COMMUNITY DISTRICT REGULATIONS

Amendment No. 746  
City Council Resolution No. 92-6  
January 13, 1992

Amendment No. 835  
City Council Resolution No. 95-130  
November 27, 1995

## SECTION I. STATISTICAL ANALYSIS

### Newport Village

<u>LAND USE</u>	<u>AREA</u>	<u>ACRES</u>	<u>DEVELOPMENT UNITS</u>
Governmental/Institutional/Retail			
Transit Facility	1	2.4	-----
Library	4	4.0	65,000 sq.ft.
Retail	5	<u>10.0</u>	<u>100,000 sq.ft.</u>
<b>SUB TOTAL</b>		<b>16.4</b>	<b>170,000 sq.ft.</b>
Open Space	2,3	<u>17.3</u>	4 acre public park <sup>1</sup>
<b>TOTAL</b>		<b>33.7</b>	

<sup>1</sup> A 4 acre public park is contemplated by the General Plan in the area north of the Library site and south of San Miguel Drive (Area 3).

## SECTION II. GENERAL NOTES

1. Project Description

The Planned Community District encompasses 33.7 acres. 10 acres are designated for retail use and 6.4 acres are designated for governmental/institutions. use. 17.3 acres are designated for open space use, including a 4-acre public park.

2. Water Service

Water within the Planned Community area will be furnished by the City of Newport Beach.

3. Sewage Disposal

Sewage disposal facilities within the Planned Community will be provided by Orange County Sanitation District No. 5. Prior to the issuance of any building permits, it shall be demonstrated to the satisfaction of the Planning Department that adequate sewer facilities will be available. Prior to the occupancy of any structure it shall be further demonstrated that adequate sewer facilities exist.

4. Grading and Erosion

Grading and erosion control shall be carried out in accordance with the provisions of the City of Newport Beach Grading Ordinance and shall be subject to permits issued by the Building and Planning Departments.

5. Screening

All mechanical appurtenances on building roof tops and utility vaults shall be screened from view in a manner compatible with the building materials; and noise associated with said noise generators shall be attenuated to acceptable levels in receptor areas. The latter shall be based upon the recommendations of a qualified acoustical engineer, and be approved by the Planning Department.

6. Archaeological/Paleontological

Prior to the issuance of grading permits, the site shall be examined to determine the existence and extent of archaeological and paleontological resources in accordance with adopted City policies.

7. Any fire equipment access shall be approved by the Fire Department.

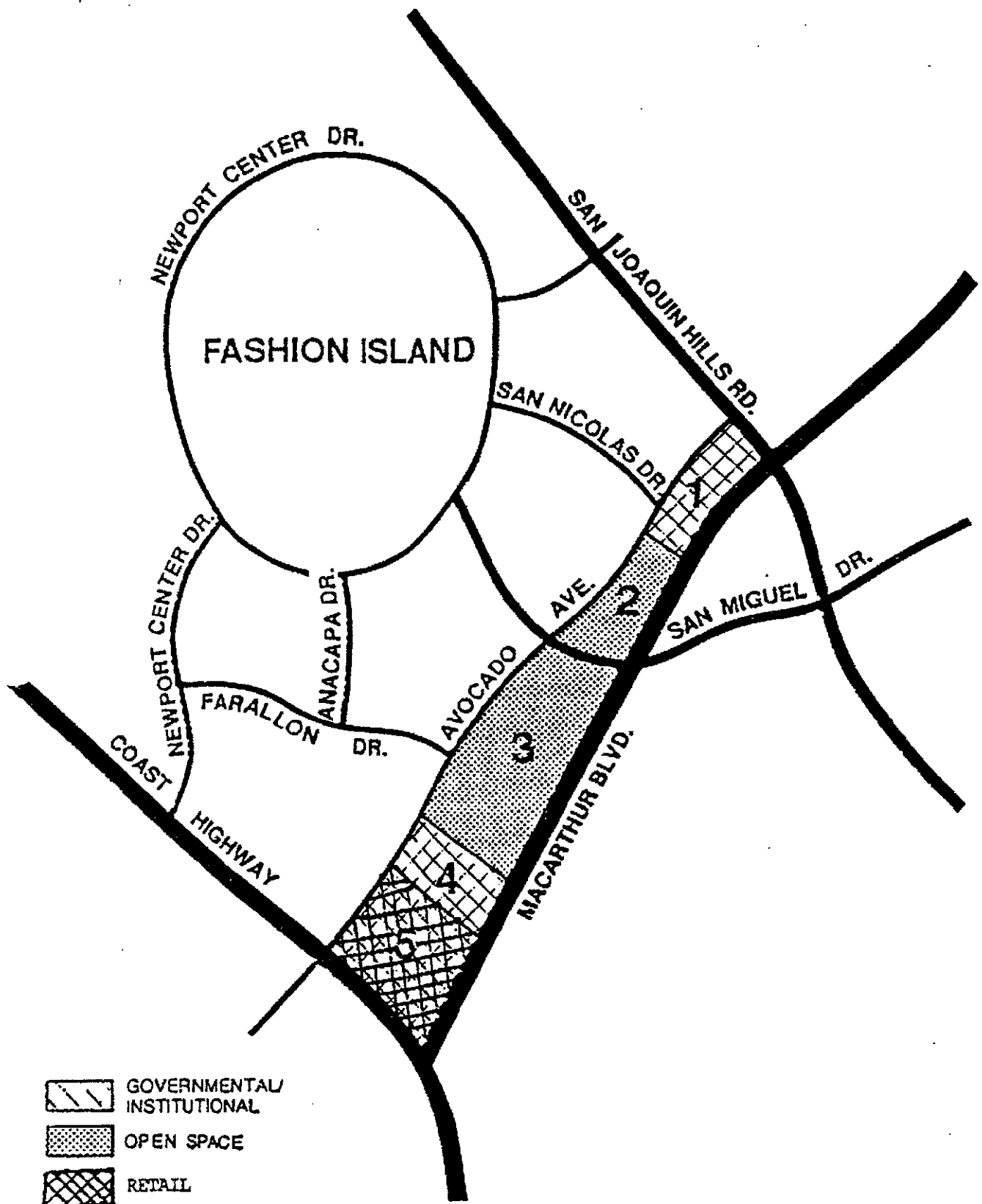
#### **SECTION IV. OPEN SPACE (Areas 2 and 3)**

A. Permitted Uses

Open Space, including public parks.

B. Development Standards

As provided by Chapter 20.52, Open Space District, of the Newport Beach Municipal Code.



**LAND USE PLAN  
NEWPORT VILLAGE  
PLANNED COMMUNITY DISTRICT**

NOT TO SCALE



12/18/91



## **EXHIBIT "C"**

### **DESCRIPTION OF BENEFITTED PROPERTY**

The properties described below shall constitute the "Benefitted Property" for purposes of the Grant Deed, provided that any such property shall cease being a "Benefitted Property" at such time as fee title to such property ceases to be owned by Grantor, The Irvine Land Company LLC, Irvine Community Development Company LLC, any of their respective divisions or affiliates, or a Successor Covenantee as provided in Section 5.ii.b of the Grant Deed entitled "Run With the Property."

#### **PARCEL I**

(Fashion Island)

##### **Parcel A:**

Parcels 1 through 9, inclusive, in the City of Newport Beach, County of Orange, State of California, as shown on Parcel Map No. 86-399 as per Map filed in Book 221, pages 30 through 36, inclusive, of Parcel Maps, in the Office of the County Recorder of said County.

##### **Parcel B:**

Parcels 13 through 17, inclusive, and Lots Q, R, S, U, R-1, R-2 and R-3 of Tract No. 6015, in the City of Newport Beach, County of Orange, State of California, as per Map recorded in Book 239, pages 28 through 41, inclusive, of Miscellaneous Maps, in the Office of the County Recorder of said County.

##### **Parcel C:**

Parcel 1, in the City of Newport Beach, County of Orange, State of California, as shown on a Parcel Map filed in Book 67, pages 2 and 3, of Parcel Maps, in the Office of the County Recorder of said County.

##### **Parcel D:**

Parcel 1, in the City of Newport Beach, County of Orange, State of California, as shown on a Parcel Map filed in Book 75, page 48, of Parcel Maps, in the Office of the County Recorder of said County.

##### **Parcel E:**

Parcel 4 of Parcel Maps, as shown on a Map filed in Book 67, pages 2 and 3, of Parcel Maps and Lot W of Tract No. 6015, as per Map recorded in Book 239, pages 28 through 41, inclusive, of Miscellaneous Maps, all in the City of Newport Beach, County of Orange, State of California, in the Office of the County Recorder of said County, lying within the land described as Parcels 1 and 2 of that

certain Lot Line Adjustment N.B.L.L.A. 87-3, recorded November 13, 1987, as Instrument No. 87-640346, in the Office of the County Recorder of said County.

PARCEL II

(Corona del Mar Plaza)

Parcel A:

The southwesterly one-half of Parcel 2 as shown on Parcel Map No. 90-361, filed in Book 270, Pages 15 to 18, inclusive, of Parcel Maps, Records of Orange County, California.

Parcel B:

The northeasterly one-half of Parcel 2 as shown on Parcel Map No. 90-361, filed in Book 270, Pages 15 to 18, inclusive, of Parcel Maps, Records of Orange County, California.

Parcel C:

Parcel 1 of Parcel Map No. 90-361, filed in Book 270, Pages 15 to 18, inclusive, of Parcel Maps, Records of Orange County, California.

Grantor shall have the right at any time, by duly recorded amendment(s) to this Grant Deed executed only by Grantor, to unilaterally amend and/or provide further descriptions and/or depictions of all or portions of the Benefitted Property described above.